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FM AIT TAIPEI
TO RUEHC/SECSTATE WASHDC 1623
RUEATRS/DEPT OF TREASURY WASHDC
INFO RUCPDOG/USDOC WASHDC
RUEHBK/AMEMBASSY BANGKOK 3377
RUEHBJ/AMEMBASSY BEIJING 5538
RUEHUL/AMEMBASSY SEOUL 8015
RUEHGP/AMEMBASSY SINGAPORE 6572
RUEHKO/AMEMBASSY TOKYO 7934
RUEHML/AMEMBASSY MANILA 9777
RUEHJA/AMEMBASSY JAKARTA 3907
RUEHKL/AMEMBASSY KUALA LUMPUR 3544
RUEHHI/AMEMBASSY HANOI 3112
RUEHBY/AMEMBASSY CANBERRA 4283
RUEHWL/AMEMBASSY WELLINGTON 1541
RUEHHK/AMCONSUL HONG KONG 6751
RUEHGH/AMCONSUL SHANGHAI 0312
RUEHGZ/AMCONSUL GUANGZHOU 9492

UNCLAS TAIPEI 002783

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STATE PLEASE PASS USTR

STATE FOR EAP/RSP/TC, EAP/EP

USTR FOR ALTBACH

USDOC FOR 3132/USFCS/OIO/EAP/WZARIT
TREASURY FOR OASIA/LMOGHTADER
TREASURY PLEASE PASS TO OCC/AMCMAHON
TREASURY ALSO PASS TO FEDERAL RESERVE/BOARD OF
GOVERNORS, AND SAN FRANCISCO FRB/TERESA CURRAN

E.O. 12958: N/A

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SUBJECT: New Senior Financial Officials

REF: TAIPEI 2634

11. Summary: In early August, three new ministerial-level officials were inaugurated: Economic Minister Chen Ruey-long (Steve), Financial Supervisory Commission (FSC) Chairman Shih Jun-jih, and Taiwan Stock Exchange (TSE) Chairman Chen Shu (Gordon). Steve Chen replaced Hwang Ing-san (reftel). Shih Jun-jih will serve the remaining term of office (until June 2008) of former FSC Chairman Kong Jaw-sheng who was indicted for corruption in May. Gordon Chen replaced Wu Nai-jen, who has been the TSE Chairman over the past two years. Reftel contains a brief bio for Steve Chen. Bios for FSC Chairman Shih Jun-jih and TSE Chairman Gordon Chen follow. End Summary.

FSC Chairman: Shih Jun-jih

12. Shih, 51, was promoted to Chairman of the Financial Supervisory Commission (FSC) just one month after he was appointed as a FSC commissioner in July 2006. Shih has little working experience in the financial sector but has the strong support of Premier Su Tseng-chang. He was an economic advisor to Su Tseng-chang when Su

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was Chairman of the ruling DPP Party from February to December 2005. Their relationship was such that Shih earned the title of Su's "private tutor" in economics. Shih's only financial experience is as board director of both the state-owned Central Trust of China and the private Taipei Bank. Since earning a Ph.D. in Economics from National Taiwan University in the mid-1980s, Shih has been teaching economics, with a short interruption from 1998 to 2001 when he served as a commissioner of the Fair Trade Commission. In 2005, Shih was nominated as a commissioner to the National Communications

Commission (NCC), but his nomination was rejected by the opposition-controlled Legislative Yuan.

TSE Chairman: Chen Shu (Gorden)

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13. Prior to his current appointment, Gordon Chen, 52, served as Vice Minister of Finance for four and a half years. Chen's career has been closely linked to securities issues, except for the past two years when the Financial Supervisory Commission (FSC) in July 2004 took securities supervision away from the Ministry of Finance. During the three-year period before he was promoted to Vice Finance Minister in 2002, Chen was Director of the Executive Yuan's (EY) Fourth Department, taking care of public finance and the financial sector, including the securities market. He was Vice Chairman of Taiwan's Securities and Futures Commission (SFC) (the predecessor of the Securities and Futures Bureau) for three years (1992-1995) and SFC Chairman for one year and three months (February 1995 - May 1996). He was removed as SFC Chairman because he spoke to media without authorization about a plan to extend the stock trading times. However, he staged a comeback in 1998 when then Premier Vincent Siew (under the KMT administration) appointed him as Director of the EY Secretariat and subsequently promoted him to Director of the EY's Fourth Department in January 1999. Chen joined the SFC in 1979 after earning an MA in Public Finance from National Chengchi University. He earned a Ph. D. in Accounting Science from National Taiwan University in 1996. Chen, a devoted Buddhist, is cautious, careful and conservative.

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